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June 30, 2021

To: Supervisor Hilda L. Solis, Chair
Supervisor Holly J. Mitchell
Supervisor Sheila Kuehl
Supervisor Janice Hahn
Supervisor Kathryn Barger

From: Fesia A. Davenport
Chief Executive Officer

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REPORT BACK ON RETURNING BRUCE'S BEACH TO ITS RIGHTFUL OWNERS (ITEM NO. 8, AGENDA OF APRIL 20, 2021)

On April 20, 2021, the Board of Supervisors (Board) adopted a pair of motions related to Peck's Manhattan Beach Tract Block 5 (commonly referred to as Bruce's Beach). The first motion authorizes the County to sponsor SB 796 (Bradford) - Returning Bruce's Beach to its Rightful Owners and directs the County's Sacramento advocates to take all appropriate legislative advocacy actions to support this effort. The second motion directed the Chief Executive Officer (CEO) and the Executive Director of Racial Equity in the County Anti-Racism, Diversity, and Inclusion (ARDI) Initiative to collaborate with County Counsel and relevant departments to develop a plan to return Bruce's Beach to the legal heirs of Charles and Willa Bruce.

This is the 60-day report back that addresses the following:

1. A proposed timeline and steps required to transfer the parcels of land originally owned by the Bruce family or equivalent parcels in the portion of land within Manhattan State Beach to the descendants of Charles and Willa Bruce;
2. Options to address property tax issues associated with transfer of the property;
3. Continued County occupancy of the site following transfer, or a plan to relocate County facilities; and
4. Appropriate safeguards to ensure that the property is transferred to descendants of the Bruce family, including an opportunity for descendants to come forward and the possibility of naming a third-party trustee to oversee claims of ownership in the property, restoration of title, and other necessary procedural steps.

This is the first report responding to the Board's directives. The ARDI Initiative established a workgroup that included CEO Asset Management and Legislative Affairs, County Counsel, the Department of Beaches and Harbors (Beaches and Harbors), the Fire Department (Fire), the Treasurer and Tax Collector, and the Assessor. The workgroup convened to explore and evaluate the financial and operational impacts on the County and its departments, evaluate options in line with the Board's motion, and identify steps needed for implementation.

Background

On July 21, 2020, the Board unanimously adopted a motion to establish an Anti-Racist County Policy Agenda, which led to the establishment of the ARDI Initiative. That was one of several actions by the Board reflecting its efforts to address systemic inequities and racist structures within the County and demonstrating its commitment to leading the nation in antiracist policymaking and dismantling institutional racism. With increased awareness of historical acts of racism that deprived African American County residents of opportunity, fairness, and justice, the Board has recognized that it is in the public's interest to eliminate structural racism and bias in all of its forms.

This policy priority led to the Board's April 20, 2021 motion regarding Bruce's Beach. The Board moved to address the historical wrong of a local government seizing the land of Charles and Willa Bruce — successful African American business owners whose resort was located on the only available beach that welcomed Black beachgoers from all around — under the pretense of building a park. The Bruce's resort was immediately demolished, and the land sat empty for decades. That action not only forced the Bruces to leave Manhattan Beach, but it also deprived their descendants of the opportunity to build generational wealth, and likewise denied the Bruces and their legal heirs the right to enjoyment of their property, the right to own property alone, as well as in association with others, the right to inherit, and the right to control their property. The County, as the current landowner, is now in the position to right this wrong and address generational inequality and anti-Black racism that occurred in the County. With the third largest African American population (906,300) in the U.S., and the largest in California (U.S. Census, 2010), this action is in the public's interest.

Although additional analysis is needed, our preliminary review reflects an opportunity before the County to restore the Bruce family's rights while mitigating the operational and financial impact upon the County.

Planning for the Transfer

In response to the Board's motion, the workgroup took initial steps to develop a plan and outline next steps to return the land to the Bruce family. Priority factors included the need

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to amend the deed to allow for such a transaction, identifying and addressing land and zoning restrictions, performing due diligence to determine the rightful legal heirs, understanding the tax implications upon the Bruce family, and assessing the operational and fiscal impact upon Fire and Beaches and Harbors, and determining departmental needs among others. The workgroup also conducted a walkthrough of the site to inform its work. The Bruce's Beach tract map is included in Attachment I. The workgroup's findings and recommendations are outlined in Attachment II.

ARDI Initiative and Bolstering Countywide Support

As the Board is aware, the ARDI Initiative is currently developing a comprehensive Strategic Plan and Policy Agenda, which will include a detailed roadmap to move the County to be more equitable, more inclusive, and more just. Further, the workgroups that the ARDI Initiative established to support the strategic planning process will allow for incorporation of emerging recommendations developed to support the work on Bruce's Beach.

The workgroup will continue to evaluate all viable options to recommend a path forward, considering factors impacting the Bruce family, the public, current County operations, and costs to the County. We will provide the Board with a further update in 120 days.

Should you have any questions concerning this matter, please contact me or D'Artagnan Scorza, Ph.D., Executive Director of Racial Equity, at (213) 974-1761 or dscorza@ceo.lacounty.gov.

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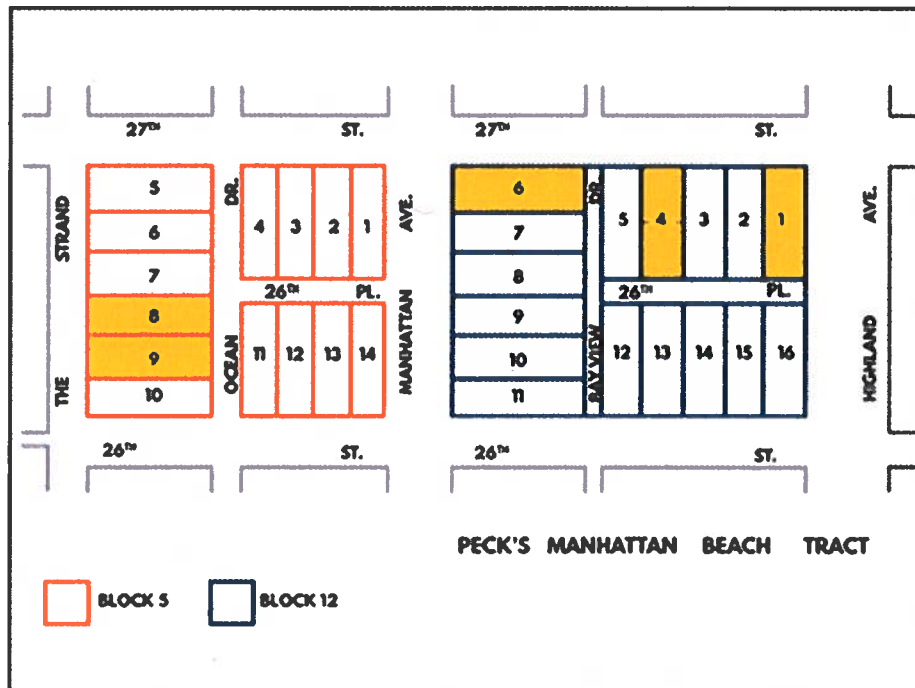
Attachments

c: Executive Office, Board of Supervisors
County Counsel

BRUCE'S BEACH TRACT MAP

Tract Map:

Below is the tract map of Blocks 5 and 12. Block 5 is owned by the County of Los Angeles, Block 12 is owned by the City of Manhattan Beach (City) and is the City Park. The highlighted lots were those owned by African Americans. The Bruce family owned lots 8 and 9 of Block 5.



Historical Background of Bruce's Beach

In 1912, Charles and Willa Bruce, two Black entrepreneurs, bought a beachfront parcel in the City of Manhattan Beach (City) and an adjoining parcel in 1920. Over the next several years, they developed a beach resort that primarily served the Black community. At the time, Black beachgoers had very limited access to beaches due to widespread racial segregation of public spaces throughout Los Angeles. In 1924, the City Council used eminent domain over the Bruce property for the claimed purpose of building a public park. The Bruce resort was immediately demolished, and the land remained undeveloped for three decades. While a park was eventually built, the Bruces were forced to move out of the City and did not thereafter build a resort. After a series of land transfers between the City, the State of California, and the County of Los Angeles (County), the County acquired the land in 1995 from the State with deed restrictions. The land is currently owned by the County, and the County Lifeguard Administration Building (Lifeguard building) currently sits at the site that the Bruce's Beach resort once stood a century ago.

The Anti-Racism, Diversity, and Inclusion (ARDI) Initiative assembled a workgroup comprised of Chief Executive Office (CEO) Asset Management and Legislative Affairs, County Counsel, Department of Beaches and Harbors (Beaches and Harbors), Fire Department (Fire), Treasurer and Tax Collector, and Assessor to evaluate the various uses of the land as well as its operational and financial impacts.

Acting in the Public Interest

Government has a responsibility to prohibit and eliminate racial discrimination in all forms and to ensure that all persons are entitled to security against forced removal, harassment, and intimidation by entities who seek to deprive individuals of their rights to self-determination and dignity on the basis of their race. The fraudulent appropriation of land from private persons, particularly on the basis of race, is against the public's interest and denies individuals and communities the right to enjoyment, the right to own property alone, as well as in association with others, the right to inherit, and the right to control one's property. Government must act in the public's interest to ensure that communities can fairly access justice and an effective remedy, including, when appropriate, the potential return, restitution, resettlement, rehabilitation, or compensation, for unlawful and race-based seizure of property.

Racism aggravates and exacerbates historical inequities and, consequently, deprives marginalized communities of access to land, economic opportunities, and a stable future. The ideology that established and maintained chattel slavery has left an indelible stain on the fabric of this nation. The legacy of the intentional structuring of opportunity, implementation of policies and practices, and assignment of value based solely on skin color and other physical characteristics has created, and continues to create, unfair

disadvantages for Black people. Racial discrimination has prevented entire communities of people from achieving their full potential.

Charles and Willa Bruce were deprived of their rightful property, as well as their right to derive the benefits of that property, including the freedom and fortune of operating their own business on their land. The land in the City, which was wrongfully taken from Charles and Willa Bruce, should be returned to their legal heirs, and it is in the public interest of the County to do so.

Legislative Considerations

On April 20, 2021, in addition to the motion directing this report back, the Board of Supervisors (Board) adopted a motion authored by Supervisors Hahn and Mitchell to sponsor Senate Bill (SB) 796 (Bradford). If passed by the Legislature and signed by the Governor, SB 796 would remove Bruce's Beach from the statutory restrictions imposed in 1995, and would enable the County to transfer the land back to the legal heirs of its rightful owners, Charles and Willa Bruce. Any County efforts related to the transfer of the Bruce's Beach property are contingent upon the passage of SB 796.

If passed, SB 796 would authorize the County to sell, transfer, or encumber the property upon terms and conditions determined by the Board to be in the best interest of the County and the general public. It would require—on or before December 31, 2021—the California Department of Parks and Recreation to amend the deeds that transferred the property to the County to exclude Bruce's Beach from the restrictions previously imposed by the State.

On June 2, 2021, the bill passed off the Senate floor on a unanimous vote and is now in the Assembly awaiting committee assignment. Once assigned, the CEO legislative team in Sacramento will engage committee members and advocate for its passage. If the bill is passed by the Legislature, it would take effect immediately upon being signed by the Governor.

Although the proposed State legislation, SB 796, will remove the State restrictions on the use and transfer of the property, there remain land use challenges. When the City transferred the property to the State in 1948, it restricted the property's use to "public beach or park only." Proposed amendments to the legislation may remove this restriction. The City also controls the local zoning. The property is currently zoned "Public Facilities" and is located in the Coastal Zone. The City has its own local coastal program; therefore, any zoning change would need the approval of the City and the Coastal Commission. A zone change would also require compliance with the California Environmental Quality Act.

Proposed Timeline and Steps Required to Transfer the Land Parcels

The Board directed development of “a proposed timeline and steps required to transfer the parcels of land...or equivalent parcels...to the descendants of Charles and Willa Bruce.” The workgroup’s preliminary findings demonstrate the need to explore several steps to move forward the directives in the Board’s April 20, 2021 motion. Additionally, the workgroup is taking initial steps to implement the Board’s directives now and have identified the following additional considerations through the initial planning process:

- Additional resources may need to be identified to hire consultants (economist, law firm, appraisal, communications, staff time, etc.);
- The County will require ample time to perform due diligence, which includes several actions described in detail below. Accordingly, the workgroup anticipates that the next 120 days will afford the County with sufficient time to follow up in more detail on some of the steps below, so the County may sufficiently evaluate and prepare for the impact upon the Bruce family and County operations, and to ensure that the Board’s directives are met; and
- ARDI Initiative will present options to the Board to implement the transfer that take into consideration the time needed to enact State law and amend the existing deed.

Original Parcels – Background

Records reflect that the land originally belonging to the Bruce family is two of the parcels (parcels 8 and 9) contained within Block 5, which is situated in the City with 27th Street on the north side of the block, Manhattan Avenue on the east side of the block, 26th Street on the south side of the block, and the Strand (Manhattan Beach) on the west side of the block. Parcels 8 and 9 are in the middle of Block 5; they are zoned “Public Facilities” and located in the Coastal Zone. Currently, parcels 8 and 9 also sit beneath the County Lifeguard Administrative Headquarters, which is a structure that extends to the furthest southwest end of Block 5. The three other parcels adjacent to parcels 8 and 9 are located furthest north on Block 5, where there is a parking lot, open grass, and no existing structure. The County owns a separate public parking lot behind the Lifeguard building that is operated by the City through a revenue sharing agreement with the County; the City also uses the separate parking lot for permitted overnight residential parking. The Fire building is used for administrative functions, some lifeguard training throughout the year, and other community programs.

Land Assessment – Next Steps

The County will need to conduct an appraisal of all of the parcels located in Block 5 to identify the value of the parcels, and to determine whether there are equivalent parcels in Block 5 not encumbered by an existing structure that may be suitable for transfer. The appraisal will provide information on the highest and best use of the parcels, its market value, and use limitations on Block 5. The workgroup is awaiting a title report to verify parcel information and pursuing a copy of the public parking lot agreement pertaining to the parcels adjacent to the Lifeguard building.

Action Item	Lead
Land Assessment	
1.1 Obtain property legal description	CEO
1.2 Generate title report of parcels 8 and 9	CEO
1.3 Conduct estimate of all parcels on Block 5	CEO
1.4 Evaluate the parking lot agreement with the City	Beaches and Harbors
1.5 Review the City's Local Coastal Program to determine use limitations on Block 5	Beaches and Harbors
1.6 Determine if there are any land covenants on the land	CEO

Property Tax Issues Associated with the Transfer

The Board motion also directed that the County evaluate options to address property tax issues associated with the transfer of the property. The County is committed to providing the legal heirs of the Bruce family options to consider in order to mitigate potential tax burdens associated with the proposed land transfer. County Counsel and the Assessor have initiated conversations regarding the tax burden. Additionally, the Assessor will produce a tax appraisal based upon no zoning restrictions and will need to produce an estimate based upon the property in its current state. With the following additional steps, the workgroup intends to identify options for the family to consider throughout the process:

Action Item	Lead
Property Tax Evaluation	
2.1 Determine if there is a need to hire an economist to evaluate tax implications and historical fiscal impact	CEO
2.2 Explore options to mitigate tax burden on the Bruce family	CEO, County Counsel

Continued County Occupancy of the Site/Relocation

The Board motion also directed that the County evaluate recommendations about continued County occupancy of the site following the transfer, or a plan to relocate County facilities. Accordingly, the workgroup's initial research reviewed the current uses of the land as well as evaluated options for relocating current operations. A primary challenge in determining the path forward is the existing Fire building that sits atop the parcels that originally belonged to the Bruce family.

The workgroup initiated a review of current Fire operations on the property. There are up to 32 staff assigned to the existing Fire facility on the property; the majority of whom are uniformed personnel whose primary responsibilities are administrative management, training, responding to emergencies, and engaging in on-site programming. The operations at the facility include annual lifeguard training (both on the beach and in the classroom), a program that teaches disabled persons how to swim, and the Junior Lifeguard program.

Depending upon the land transfer options chosen, the impact upon Fire may potentially be mitigated; the other alternative is an entire relocation, which must be evaluated further. The CEO will work with Fire to develop relocation options and estimated associated costs to determine feasibility. Fire is conducting a space request evaluation (SRE), which CEO would use to identify whether there are suitable site alternatives to sustain Fire's operations. However, the lease acquisition process is lengthy and could take upwards of two years to find the operational space needed. Prior to the completion of a lease, Fire would also need to complete a broader needs assessment to ensure CEO Real Estate had the best chance of identifying similar type space to accommodate the needs of the department.

County Counsel and CEO will also develop lease back options or other options to be considered by the Bruce family that would minimize the operational impacts upon Fire. The below steps are needed to appropriately assess continued County occupancy of the site versus relocation:

Action Item	Lead
Operational Assessment	
3.1 Evaluate on-site operations and complete a needs assessment	Fire
3.2 Complete an SRE	Fire
3.3 Determine the operational costs for temporary solutions	CEO
Action Item	Lead
3.4 Evaluate operational impact	Beaches and Harbors
3.5 Evaluate rental/lease cost of the parking lot	CEO
3.6 Determine if the parcels are subject to any bond financing (certain encumbrances on the building from funds used to improve the site [with federal and/or State funds, there may be limitations especially from grants])	CEO

Appropriate Safeguards Regarding the Transfer

Finally, the Board motion directed recommendations regarding appropriate safeguards to ensure that the property is transferred to the descendants of the Bruce family, including an opportunity for the descendants to come forward and the possibility of naming a third-party trustee to oversee claims of ownership of the property, restoration of title, and other necessary procedural steps. The County is committed to conducting a thorough and equitable legal heir determination process. The County's Public Administrator, in the department of the Treasurer and Tax Collector, is conducting an initial assessment of the lineage to determine the legal heirs of Charles and Willa Bruce. As a procedural safeguard, the workgroup determined that it would be prudent to retain a third-party law firm to conduct an independent vetting process outside of the County's administration. Once both processes are complete, the workgroup will identify a uniform approach to confirm the information and address any fractional interests. Once the heirs have been determined, the County will need to engage them to identify their needs, and negotiate an agreement for the transfer of the property that meets those needs. It is critical that the County ensures that the proposed transaction is structured in a way that addresses, to the greatest extent possible, the needs and concerns of the legal heirs and the best interests of the County. Here is a summary of the steps:

Action Item	Lead
Legal Heir Determination	
4.1 Conduct initial lineage assessment	Treasurer and Tax Collector
4.2 Evaluate assessment	CEO

Action Item	Lead
4.3 Retain a third-party administrator (TPA) to manage the process of determining the heirs	County Counsel
4.4 Develop a transparent process to evaluate potential claims	TPA
4.5 Develop a uniform process that enables the County to respond/communicate to potential claimants in order to develop a record that we reviewed these claims and vetted them.	TPA/CEO
4.6 Work with the confirmed legal heirs and their legal representatives to examine concerns and identify preferred path/choice	CEO

Summary

The steps outlined above will take time and may require additional resources. Once completed, the workgroup will be in the best position to advise the Board fully of the financial and operational impacts, and likewise recommend to the Board the best way to move forward. It is anticipated that once a decision is made on how the County will proceed, implementation can occur.